

EXHIBIT 70

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NEWS

Local concern over killer pig virus spreading

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It has killed as much as 10 percent of the national pig population, but what damage will it do locally?

That's the question surrounding the porcine epidemic diarrhea virus, or PEDv, a devastating illness that has wreaked havoc on the U.S. pig herd since its first reported case in Iowa a little more than a year ago. PEDv is not a threat to humans, pets or other animal species, but is highly contagious and fatal among swine.

"If piglets get the virus within seven days of age, they will die," said Sara Crawford, assistant professor of animal science at Delaware Valley College, adding that PEDv affects the digestive system and the animal's ability to retain water and nutrients. "It's one hundred percent mortality at that age, and that's a big concern."

Estimates of just how many piglets have died from the virus vary, but a recent Reuters report quoted Steve Meyer, consultant to the National Pork Board, as saying 7 million pigs were lost to PEDv since June 2013. With United States Department of Agriculture data showing the national hog herd at 62.9 million, that's equivalent to about 11 percent of the country's pig population.

Data from the USDA show PEDv quickly arrived in Pennsylvania after first being reported across the Midwest in April 2013, and that 82 positive cases have been reported since, including three in April. However, the actual number of cases could be much higher, as the USDA only instituted mandatory reporting of the virus and tracking of pig transportation last month.

"From a disease standpoint, we're concerned about how PEDv might spread throughout the state and the implications it will have on the supply of pork products," said Amy Bradford, executive director of the Pennsylvania Pork Producers Council, adding that the state's hog farmers generate about \$336 million annually.

Bradford says she has been unable to tell if the disease has reached the eastern part of the state, since the USDA data only breaks down positive test results by a state, and not county, level. However, Bradford says the virus does pose a concern for local pork processing companies like the Clemens Food Group, owner of Hatfield Quality Meats, and the ALL Holding Co., the Harleysville based parent company for Alderfer and Leidy's.

"Just having the disease in the state is going to be a concern to those pork processors because they're getting pigs from across the state," Bradford said. "They'd certainly have to adjust and accommodate for that."

Jeffrey Arner, director of livestock supply at Leidy's, downplayed the level of concern for his company and its revenues.

"It's not really an issue at the packing plant. It's really an impact for a guy that has thousands of pigs," Arner said, adding that the company was checking with its suppliers to make sure they were following proper

biosecurity measures.

While Arner says estimates predicting that PEDv could cause a 6 percent to 7 percent disruption in national supply are accurate, he adds that the economic threat to ALL Holding Co., with an industry estimated \$100 million in annual revenue, can be minimized.

“What some farmers are doing is raising the pigs to a little heavier weight, and that helps offset some of the numbers,” Arner said. “So maybe that 6 or 7 percent turns into 2 or 3 percent.”

Even rates as low as a few percentage points could spell trouble for the larger Clemens Food Group, which has annual revenues approaching \$700 million, according to company communications manager Eric Haman. The company, which holds brands such as Country View Family Farms and Premium Reserve Pork, in addition to its flagship Hatfield Meats, has not been greatly affected by PEDv, Haman said.

“We’ve had a very minimal impact on our hog flow, especially when you compare it to others in the industry,” Haman said. “That’s one of the many benefits of raising hogs in Pennsylvania, since we have a much lower density of pigs than other states, which decreases the risk of (a virus) like this.”

PEDv also poses a risk to the area’s many small farmers who raise livestock to be sold independently or to larger processing companies. Data from the U.S. Census of Agriculture show that farmers in Montgomery County sold 5,663 pigs for a total value of just under a million dollars in 2012, the last time the survey was conducted. In Bucks County, farmers sold significantly less, with 683 pigs selling for about \$113,000.

However, assistant professor Crawford says that PEDv does not yet seem to be a problem in the region.

“I can’t say for sure how many farms in Southeast Pennsylvania have been affected ... but we haven’t been hit as hard in this area as in other places,” Crawford said.

Crawford says that could be due to a united effort across the pork industry to stop the spread of the illness. Despite industry groups donating millions of dollars to research aimed at finding a cure, one has yet to be found, leaving the focus on prevention, Crawford says.

“The industry is really working to make sure PEDv is not spread,” Crawford said. “A lot of that comes from sanitation of transport vehicles and taking precautions to make sure people aren’t spreading it through their boots and clothing.”

Since many in the industry suspect the virus is spread primarily through infected fecal matter hitching a ride on boots or in trucks, that means taking extreme precautions.

“Prevention sounds easy, but the recommendations are to clean a truck trailer by heating it to 160 degrees, which takes time and money,” Crawford said.

Several pork industry publications have also questioned whether the worst of the PEDv epidemic is over, after April USDA data showed positive samples decreasing from a February peak, despite the number of animals tested increasing.

“We’ve been seeing steadily lower (confirmed cases) over the last month or so, and that’s to the great credit of our producers and those involved in transportation doing everything correctly,” Bradford, of the Pork Producers Council, said.

Crawford says concern over the virus should not be downplayed, due to the unknowns around its transmission and the absence of a vaccine.

“I was reading about a veterinarian of 25 years who said it was the most concerning disease they’d faced,” Crawford said. “Hopefully we can find a vaccine, but right now we need to continue focusing on the prevention of its spread.”

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